REMARKS

Claims 1-5 and 7-20 are pending in the present application. The Examiner has rejected claims 1-5 and 7-20.

CLAIM REJECTIONS

Rejections Under 35 USC § 103

The Examiner maintains his rejection of claims 8-11 under 35 U.S.C. 103(a) as being unpatentable over **Jones et al.** (US 6,363,164 B1) in view of **Ramachandran et al.** (US 6,941,274 B1), and further in view of **Partyka et al.** (US 5,941,363) and further in view of **Morun** (US 5,566,807)...Applicant respectfully disagrees.

Applicant has amended independent claim 8 to include the limitation of placing the acceptor-dispenser in an opening that formerly received a bill validator. Support for this amendment is found at paragraph 0033 of the specification as follows:

[0033] According to the present invention, the bill acceptor-dispenser 60 is disposed in the cabinet 22 of the vending machine 20, and electrically connected to the VMC 50 therein. Preferably, the bill acceptor-dispenser 60 is of a size and configuration to be received within the cabinet 22 at the location previously occupied by prior bill validating devices so that no extensive reconfiguration or redesign of the vending machine 20 is required.

The combination cited by the Examiner does not disclose any teaching for the replacement of a prior bill validator with a validator-dispenser as called out in independent claim 8. Therefore claims 8-11 far patentably distinct from the cited combination.

The Examiner also maintains his rejections of claims 1-5, 7 and 12-18 under 35 U.S.C. 103(a) as being unpatentable over **Jones et al.** in view of **Ramachandran**, further in view of **Partyka**, further in view of **Morun** and still further in view of **Katou et al.** (US 2004/0182677 A1). Applicant respectfully disagrees.

Applicant has amended independent claims 1, 7, and 18 to add limitations not taught, described, or suggested in the cited combination. For example, these independent claims include WESTV21692980.1

the limitation of disposing the bill acceptor-dispenser in an opening formerly receiving a bill validator. The system provides functionality not possible before from a bill validator and does it in substantially the same physical space as the bill validator. This permits retrofitting of vending machines and provides new capabilities, for example, providing notes as change, that were not available in the prior vending machine. The combinations suggested by the Examiner do not provide this functionality nor could they without excessive experimentation and modification.

The Examiner continues to reject claims 19 and 20 under 35 U.S.C. 103(a) as being unpatentable over **Jones et al.** in view of **Ramachandran**, further in view of **Partyka**, further in view of **Morun**, still further in view of **Katou et al.** and still further in view of **Pope** (US 2002/0195309). Applicant respectfully disagrees.

As amended, independent claims 19 and 20 include limitations that are not taught, described, or suggested by the cited combination. For example, the independent claims include the structural limitation of disposing the acceptor-dispenser in an opening formerly occupied by a bill validator. Thus, the system provides a device with multiple functionality in the same location of a device with limited functionality. In particular, the system allows the retrofitting of vending machines that could not give notes as change into a system that can give notes as change. No such teaching, description, or suggestion of such a structure is found in the cited combination.

In view of the above amendments and remarks, applicants respectfully request that this application be reexamined and that the claims, as amended, be allowed.

Applicant files concurrently herewith a REQUEST FOR CONTINUED EXAMINATION (RCE) and tenders the government fee for the RCE.

Applicant also submits a Petition for Extension of Time and tenders the government fee for the extension.

Please charge any deficiency in fees or credit any overpayments to Deposit Account No. 07-1896.

Respectfully submitted,

Dated: July 6, 2009

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